



State Board of Equalization

News Release

Chairman Jerome E. Horton

4th District – Los Angeles

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Executive Director
www.boe.ca.gov

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Some Californians May Be Owed Refunds on Auto Purchases

Sacramento – Board of Equalization, (BOE) Chairman Jerome E. Horton announces that the Department of Motor Vehicle (DMV) may have charged you too much use tax on your purchase of a car from a private citizen.

When purchasing a car from a private party you are required to register the vehicle with the DMV, and pay the use tax. The use tax a buyer should generally pay is the applicable sales tax rate for the area where the vehicle will be registered (usually the new owner's home or business address).

The Department of Motor Vehicles, working with the BOE, has discovered that some taxpayers may have been charged the wrong rate in computing their tax liability on the purchase of a vehicle from a private party.

For example, if you bought a used car for \$10,000 and the car will be registered to your home address in the City of Inglewood, you would owe \$950 in tax (based upon Inglewood's sales and use tax rate of 9.5 percent). If your home was nearby in the unincorporated area of Los Angeles County, which is also in the 90045 zip code, you would owe \$900 based on that area's rate of 9 percent.

The Board of Equalization, working with the DMV, is in the process of implementing safeguards to protect California taxpayers from being over-charged in the future. However, Chairman Horton encourages taxpayers to report any concerns to the Board of Equalization.

"Taxpayers have the right to pay the correct amount of taxes under the law, and correcting this mechanical or human error preserves that right," said Chairman Horton.

To verify that you were charged the correct amount of tax, and to file a claim for refund if the wrong amount was collected by the DMV, please visit www.boe.ca.gov. Your request for a refund must be made in writing, and must state the grounds or specific reason for the over-payment. You may use the form [BOE-101](#). More information and instructions are available on the BOE's website in [Publication 117](#). If you were overcharged tax by a registered vehicle dealer, you should request a refund from that dealer. For further assistance, consumers may contact the BOE's Customer Service Center at 1-800-400-7115.

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Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization's Legislative Committee Chairman. He is the first to serve on the Board of Equalization with over 21 years of experience at the BOE. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects \$56 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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